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*Office Memorandum* • UNITED STATES GOVERNMENT

STATINTL

TO : Office of General Counsel

DATE: 12 October 1951

FROM : Chief, Fiscal Division

SUBJECT: Purchase Order No. 52-25750

## OGC HAS REVIEWED. 25X1A

1. There are transmitted for your consideration voucher in favor of [redacted], covering the cleaning and repairing of a Government-owned Tractor, and confirming open market Purchase Order No. 52-25750 dated 18 July 1951. The work was completed on 11 July 1951.

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2. A prior confirming order (P.O. No. 51-5606), covering a similar repair job, was placed with the scheduled contractor [redacted] on 2 April 1951. Payment was made to [redacted] based on adequate receiving information. A discrepancy report was not issued on this order.

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3. The use of Class 8 of the Federal Supply Schedule for Motor-Vehicle, Body and Fender Repairs, Glass and Painting, is mandatory upon all departments and other establishments in Washington, D.C. Agencies are obligated, except in emergencies (which must be justified to the satisfaction of the General Accounting Office), to order from this Schedule.

4. On 13 July 1951, the Chief, Procurement and Contract Division, requested a clearance from the General Services Administration to issue an open market order for the services rendered by [redacted]. The request was not granted.

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5. The instructions contained in the Index and Guide to Government Sources of Supply, under the section headed "Performance and Default", state, in part: "ordering offices are accordingly free to deal directly with contractors concerning their performance to the contract terms, and may accept or reject supplies, make price adjustments for defective supplies, or seek replacements, and in case of default, terminate purchase orders, purchase from other sources, and charge the contractor with any resulting excess costs."

6. Inasmuch as a discrepancy report was not issued on Purchase Order No. 51-5606, and since the Order was not canceled with advice to the contractor that he would be charged with any excess costs, it is felt, in line with the foregoing paragraph, the work performed by [redacted] under Purchase Order No. 52-25750 could be considered an additional repair job not necessarily connected with the work performed by the scheduled contractor.

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7. In view of the failure of General Services Administration to grant the clearance for having the work performed in the open market, it will be appreciated if you will advise with respect to the propriety of making payment to [redacted]

8. The following documents, which should be returned with your reply, are attached:

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Bu. Vou. 01777 in favor of [redacted]  
Purchase Order No. 52-25750  
Paid copy of Bu. Vou. 12105 in favor of [redacted]  
Purchase Order No. 51-5606  
Copy of letter dated 13 July 1951 to  
General Services Administration  
Copy of letter dated 17 July 1951 to  
Chief, Procurement & Contract Division  
Memorandum dated 21 September 1951 to  
Chief, Fiscal Division

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